

SENATE BILL REPORT

SB 6278

**AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,
JANUARY 28, 1994**

Brief Description: Authorizing cities and towns to use their special excise tax for public restroom facilities intended for visitors.

SPONSORS: Senators Gaspard, Haugen, Fraser and Rasmussen

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 6278 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, McCaslin and Winsley.

Staff: Diane Smith (786-7410)

Hearing Dates: January 26, 1994; January 28, 1994

BACKGROUND:

Cities and counties may levy a 2 percent local option tax on the rental of hotel and motel rooms to pay for tourism promotion and for the costs of acquiring, constructing, maintaining and operating public stadium, convention center, performing arts, and visual arts facilities. Jurisdictions imposing the tax may credit the rate against the state sales tax rate of 6.5 percent.

Cities and counties using the tax for these purposes encounter demands for public restroom facilities. This is the case regardless of the city or town's size. Currently, though, only cities and towns of populations less than 5,000 may use the hotel/motel tax for the purpose of providing public restroom facilities intended for use by visitors. Counties of any size may use the hotel/motel tax for this purpose.

SUMMARY:

The limitation to cities of 5,000 or less in population is removed. Any city or town may use the hotel/motel tax to provide public restroom facilities intended for the use of visitors.

EFFECT OF PROPOSED SUBSTITUTE:

It is clarified that the legislative intent of the bill is to benefit visitors to the special events sponsored by counties, cities and towns in their efforts to promote tourism.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

The local elected officials who decide whether to assess the optional 2 percent hotel/motel tax are in the best position to know how to spend the revenue generated. Cities, such as Puyallup, which have a full calendar of festivals and events which promote tourism do not have modern or sufficient restrooms to serve the visiting public.

TESTIMONY AGAINST:

The 2 percent hotel/motel is a limited source of funds originally earmarked for tourism promotion. Inroads into the fund for infrastructure expenditures such as restrooms reduce the money available to generate tourism.

TESTIFIED: Stan Finkelstein, AWC (pro); Barbara Korando, City of Puyallup (pro); Sonie Waltier, Puyallup Farmers Market (pro); Mim Heuss, Visitor Convention Bureau, Bremerton (con); Becky Bogard, WA State Hotel/Motel Assn. (con); Chuck Valley, Chamber of Commerce